Ministry of the Economy

Annual Report for 2015-16

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Government of Saskatchewan

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Letters of Transmittal

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2016.

The Honourable Bill Boyd
Minister of the Economy

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2016.

The Honourable Jeremy Harrison
Minister Responsible for Immigration, Jobs, Skills and Training

Letters of Transmittal

The Honourable Bill Boyd
Minister of the Economy

The Honourable Jeremy Harrison
Minister Responsible for Immigration, Jobs, Skills and Training

I have the honour of submitting the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2016. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our ministry during the past year.

Laurie Pushor
Deputy Minister of the Economy

Introduction

This annual report for the Ministry of the Economy presents the Ministry's results for the fiscal year ending March 31, 2016. It provides results of publicly committed strategies, key actions and performance measures identified in the *Ministry of the Economy Plan for 2015-16*. It also reflects progress toward commitments from the *Government Direction for 2015-16: Keeping Saskatchewan Strong*, the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, throne speeches and the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Ministry's activities in 2015-16 align with Government's vision and four goals:

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

- **Sustaining growth and opportunities for Saskatchewan people**
- **Meeting the challenges of growth**
- **Securing a better quality of life for all Saskatchewan people**
- **Delivering responsive and responsible government**

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

The Ministry of the Economy was formed in 2012 to advance economic growth and to generate wealth and opportunity in the province. The ministry's responsibilities include labour market development and immigration, energy and resources, and economic development, including First Nations, Métis and Northern economic development.

The ministry leads and co-ordinates economic growth in Saskatchewan, working with other ministries, stakeholders and the general public to keep moving Saskatchewan forward. Delivering on the goals and objectives of the *Saskatchewan Plan for Growth* is central to the ministry's mandate, with a focus on business and industry development. The ultimate goal of the ministry's work is to create a better quality of life for the people of Saskatchewan.

Primary Lines of Business

The Ministry of the Economy comprises four primary lines of business: petroleum and natural gas; minerals, lands and resource policy; economic development; and labour market development. By bringing together the main functions associated with economic development, the Government of Saskatchewan can achieve better alignment and co-ordination between:

- The government's economic development policies and programs for the whole province;
- Resource sector development, which is driving much of the province's growth; and,
- Labour market development, which is critical for ensuring that growth opportunities are realized.

The ministry maintains relationships with a number of agencies important to the growth agenda, such as Innovation Saskatchewan, Tourism Saskatchewan, the Saskatchewan Trade and Export Partnership (STEP), the Saskatchewan Research Council (SRC), the Saskatchewan Apprenticeship and Trade Certification Commission, and the Global Transportation Hub.

Ministry employees provide services and programs through its main offices in Regina and Saskatoon and through regional offices across the province.

Progress in 2015-16

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Ministry Goal

Supporting increased trade, investment, exports through international engagement.

Strategy

Increase outreach through missions and promotions.

Key Actions and Results

Increase promotion of investment opportunities and trade/export opportunities in Saskatchewan in key markets around the world.

- The Ministry of the Economy achieved 21 investment attraction "wins" with an estimated investment value of over $366 million, including 11 new investments and 10 reinvestments by existing companies.
- The ministry partnered with the Saskatchewan Trade and Export Partnership (STEP) and Bank of China Canada Ltd. to host a Saskatchewan China Trade and Investment Forum in Toronto in April 2015. The Chinese companies met Saskatchewan exporters from both the agriculture commodity and retail-ready food sectors and learned about investment opportunities in Saskatchewan.
- The ministry engaged a consultant from the United Kingdom to recruit European companies to participate in the 7th Annual Mining Supply Chain Forum in April 2015. Companies from the United Kingdom, Norway and Finland participated to explore opportunities in the Saskatchewan mining supply chain.
- A new investment video was created with testimonials from international investors, as well as other marketing materials that have been customized by sector/geographic region for 23 international events.

Encourage, initiate and support incoming missions of companies from new or emerging markets.

- The ministry hosted/supported business investors from Japan, China, India, United States, several European countries, Malaysia and Singapore. Missions like these promote Saskatchewan investment opportunities and are an important ongoing activity in achieving investment goals and bringing new business to the province.
  - Two missions targeted new and emerging markets including Brazil and the Association of Southeast Asian Nations (ASEAN) region. The ministry continues to work with Global Affairs Canada in-market officers to generate and advance leads.

Develop capacity in countries with significant growth potential through outgoing investment attraction missions and outgoing trade/export missions.

- The ministry completed 30 investment attraction missions to 14 countries including the United States, Canada, China, Japan, Korea, Brazil, Malaysia, Singapore and six countries in Europe to promote the province and investment opportunities to international companies and investors.

Engage with Global Affairs Canada (GAC), formerly Foreign Affairs, Trade and Development Canada, and other potential strategic partners, including in-market consultants, in new or emerging markets to gain better understanding of the market and to promote Saskatchewan and its opportunities.

- The ministry has engaged with GAC and other external consultants to generate qualified leads in the United States, Canada and Mexico. A process was established for GAC to share Saskatchewan investment news through its social media channels.

Strategy

Increase foreign direct investment in primary and value-added industries.

Key Actions and Results

Lead/support sector development and investment attraction missions and host foreign delegate in-house information sessions.

- The ministry hosted/supported 120 incoming missions to explore Saskatchewan opportunities and advance investment leads and projects.
  - STEP toured major lumber buyers from the United States around several forest product mills. The ministry provided an overview of the Saskatchewan forestry sector to increase awareness of Saskatchewan opportunities.
  - The ministry hosted several international delegations that were interested in carbon dioxide capture and storage technology.

Develop an investment attraction strategy for new or emerging markets.

- In response to the Asia Advisory Council report and recommendations, the ministry took initial steps towards developing a strategy by gathering market intelligence for the ASEAN region. The ministry engaged with GAC investment officers in the region and hired a consultant to gain market information and develop leads. The ministry has completed one mission to the region and hosted companies from Singapore and Malaysia to explore investment opportunities in the province.
  - New country profiles have been developed for Malaysia, Thailand, Singapore and Indonesia to develop market intelligence.
- STEP hosted incoming buyers missions from the Philippines and Malaysia. Additional incoming ASEAN buyers from Vietnam and Philippines attended the STEP Asia Trade Conference. STEP has conducted 347 counselling meetings to expand Saskatchewan companies' export capabilities and knowledge, and developed 18 export plans for companies under the Export Readiness Program.

Generate, develop and advance leads and projects to increase investment in the province from key markets.

- The ministry realigned the economic development function with an increased focus on investment attraction and a more strategic approach to attracting investment from lead generation. The ministry continues to maintain a project pipeline to identify and qualify leads and to identify project opportunities while working closely with investors to advance projects to investments.

Target global resource industry investors in key markets to attract investment in the sectors of value-added agriculture, oil and gas, manufacturing and forestry by leading/supporting sector development and investment attraction missions and hosting foreign delegate in-house information sessions.

- During the 2015 Western Canada Farm Progress Show, the ministry met with seven different delegations from Mongolia, Russia, South Africa, Brazil, United States, Germany and India to discuss business opportunities for investment in the Saskatchewan economy. The ministry gave an "Invest in Saskatchewan" presentation to over 65 international guests as part of the incoming buyers program at the show.
- In partnership with the Petroleum Services Association of Canada (PSAC) and the Saskatchewan Industrial Mining Suppliers Association (SIMSA), the ministry hosted approximately 180 guests at a Saskatchewan business reception at the Global Petroleum Show in Calgary to promote oil and gas and supply chain opportunities in Saskatchewan.

Strategy

Strengthen intergovernmental and commercial relationships.

Key Actions and Results

Identify supply chain linkages and procurement opportunities to Saskatchewan businesses, manufacturers and processors.

- The ministry continued its ongoing efforts to identify supply chain linkages and provincial/federal procurement opportunities. Activities focused on providing support for the SIMSA and the Saskatchewan Manufacturing Centre of Excellence, and organizing and supporting several industry events including the 7th Annual Mining Supply Chain Forum. The goal of the forum was to bring mining companies and suppliers together to provide information on mining projects and supply chain opportunities and trends. The forum brought together 1,150 business people this year and was also the basis for investment attraction activities by contact made with all out-of-province partnerships regarding interests in Saskatchewan, including a German mining delegation.

- The ministry finalized a northern supply chain strategy to support investment and procurement opportunities in the north. Completion of the initial development of a northern business supply chain registry has led to the ministry having an improved understanding of northern business products and services.
- The ministry also held its first annual Oil and Gas Supply Chain Forum in Regina. Approximately 180 people attended the event, including producers, suppliers and pipeline representatives.
  - Evaluations indicated that 98 per cent of participants would attend a similar event, with 80 per cent indicating the topics and relevance of the event were very good to excellent.
- Other events held by the ministry include the second annual Agri-value Workshop, the first Supply Chain Week, the 10th annual Manufacturing Week, the second annual Aboriginal Business Match, the Strategic Business Overview Procurement Forum, and four Corporate Procurement Committee meetings in La Ronge, Weyburn, Regina and Saskatoon.
- During Manufacturing Week, the ministry organized the first ever Manuquest program held at Saskatchewan Polytechnic in Saskatoon and attended by over 200 grade 10 students in the province. Students had the opportunity to experience robotic welding, CNC machinery and industrial equipment simulators from Caterpillar.

Tom Foster, past SIMSA Board Chair (right) presents the Honourable Bill Boyd, Minister of the Economy, with a plaque in appreciation of support received from the ministry.

One Voice: Connecting Saskatchewan Suppliers to Resource Company Investment

Saskatchewan suppliers have a long history of supporting and supplying the resource sector of the province. But when the 2008-09 world crisis hit, competitors throughout Canada and the world began to seek out industrial resource-based projects like those predicted to take place in Saskatchewan over the next decade. A strong economy and rich resource development pushed our province into the public realm.

Saskatchewan suppliers went from a marketplace where they once had direct contact with their customers to having to go through an Engineering, Procurement and Construction (EPC) or Engineering, Procurement and Construction Management (EPCM) contract process. These were often with out-of-province entities having their own infrastructure of supply, fabrication and service companies they were more familiar with. Qualified Saskatchewan companies that had been serving the industry for years suddenly faced the threat of being overlooked for Saskatchewan contracts.

Local companies began to realize that increased promotion of their businesses and greater collaboration were needed or their continued success would be at risk. But unlike other jurisdictions, there was no suppliers' association in Saskatchewan to focus on their specific concerns or issues.

Through the Government of Saskatchewan's ongoing work with businesses, the Ministry of the Economy was hearing a recurring desire for industry to work together to promote local capability. In discussion with business leaders in the industry, the ministry offered to support their exploration of an industry association.

The Ministry of the Economy assisted in bringing industry leaders together and facilitated discussions on the purpose and role of a grassroots industry association. The process was driven by industry and the result was the development of the Saskatchewan Industrial and Mining Suppliers Association (SIMSA) in 2013.

"The Ministry of the Economy has played a critical role in the early success of SIMSA," says Jim Nowakowski, SIMSA Board Chair and President, JNE Welding. "If it wasn't for the support the ministry has provided SIMSA, both through funding in the form of grants and by making several key individuals available to work with SIMSA's board of directors, both providing guidance and administrative support, there simply would not have been a SIMSA."

As the mandate and interests of the association were developed, it was clear that many touched on issues of importance to the ministry. This provided a great opportunity for industry and government to work together on common initiatives to increase local content in Saskatchewan resource projects. Collaboration on targeted events like the Mining Supply Chain Forum, Oil and Gas Supply Chain Forum, and many others has increased opportunities for local companies in both local and global resource projects.

Efforts to work with industry to assist in their success in the market (both here, nationally or internationally) results in increased business growth, more jobs, greater investment and reinvestment in the province.

"There is no one more committed or more effective than the team from the Ministry of the Economy who have supported and continue to support the success of SIMSA."

- Jim Nowakowski, SIMSA Board Chair and President of JNE Welding

Explore this report for more information about how the province supports increased trade, investment, exports through international engagement

Government Goals

Sustaining growth and opportunities for Saskatchewan people
Meeting the challenges of growth
Securing a better quality of life for all Saskatchewan people
Delivering responsive and responsible government

Ministry Goal

Advancing Saskatchewan's natural resources and agricultural strengths, particularly through innovation to build the next economy.

Strategy

Ensure that Saskatchewan's royalties and regulations contribute to a competitive environment for natural resource development.

Key Actions and Results

Maintain stable, competitive royalty regimes for the forest industry, minerals, and oil and gas.

- Price-sensitive royalty rates for oil and gas helped to maintain Saskatchewan's competitiveness in the face of lower oil prices. Oil royalty changes introduced by the Province of Alberta were evaluated to ensure that Saskatchewan's royalties remained competitive. Saskatchewan's royalty structure continues to provide a balance between attracting investment while providing an appropriate return to provincial residents.
- A potash royalty and taxation review was announced in the 2015-16 budget, and it is expected that the ministry will develop recommendations for Cabinet by the end of 2016.

Ensure royalty structures reflect the value of commodities and provide a balance between attracting investment and providing an appropriate return to provincial residents.

- Timber royalties are directly correlated to forestry product prices, providing a fair return to both industry and the Government of Saskatchewan.
- The ministry has responded to royalty concerns raised by industry to ensure that the royalty system is working efficiently and effectively for both government and industry.

Maintain a competitive tax, tenure and regulatory environment.

- The ministry drafted Oil and Gas Tenure Regulations that are pending Cabinet approval and will combine four tenure regulations into a single tenure regulation addressing shortcomings in current regulations. They also align with neighbouring jurisdictions where feasible.

Maintain emphasis on public safety and reservoir management by strengthening enforcement of oil and gas regulatory requirements.

- Conducted targeted inspections of over 4,200 wells and facilities in sour gas prone areas, as well as another 7,800 inspections as part of ongoing monitoring and inspection programs across the province.
- Conducted 78 inspections of pipelines and authorized the opening of another 109 pipelines after ensuring the safety requirements were met.
- Fully implemented *Saskatchewan Upstream Petroleum Industry Associated Gas Conservation Direction* (Directive S-10) aimed at encouraging the collection and use of natural gas produced in association with oil.
- Improved monitoring of production allowable for oil and gas reservoirs using the new information management capabilities of the Integrated Resource Information System (IRIS) launched in November 2015.

Monitor industry competitiveness and respond to issues raised with the ministry in order to ensure continued growth of resource sectors.

- The ministry met regularly with the Saskatchewan Mining Association to discuss tenure and resource conservation-related issues. The ministry also met regularly with the Saskatchewan Industry Petroleum Tenure Advisory Committee to provide alignment of industry and ministries objectives and priorities.

- Five results-based code chapters dealing with forest management came into force on January 5, 2015; the remaining forestry code chapters are currently in development. The codes focus on reduction of administrative requirements, with more attention on activities with higher environmental risk, and auditing performance.

Strategy

Attract forestry investment.

Key Actions and Results

Facilitate private forest sector investments that create new industry capacity in order to maximize the province's annual allowable cut utilization.

- The ministry provided $1.5 million to support three long-term resource agreements to enhance First Nations and Northern community participation in Saskatchewan's forest and other resource sectors.
  - Edgewood Forest Products completed a $25 million capital investment at the Carrot River saw mill, increasing lumber production capacity by approximately 30 per cent and adding 50 full-time jobs in the region.

Work with other ministries and Crown corporations to facilitate power developments appropriate to growth of the forest industry and highway improvements that support and accelerate forest resource development.

- Several meetings have been held with SaskPower and the Ministry of Highways and Infrastructure to ensure economics pertaining to the forestry sector are fully understood. Government is currently considering alternative solutions to funding the highway improvement needs in northern Saskatchewan necessary to facilitate economic growth.
  - The ministry formed a Forestry Sector Competitiveness Committee and has identified transportation as the number one issue. The ministry continues to work with the industry and the Ministry of Highways and Infrastructure to ensure transportation in Saskatchewan allows for competitive further growth.

Strategy

Promote partnerships to increase engagement in the forest economy.

Key Actions and Results

Promote partnerships and networks among the private sector, First Nations, Métis and northern business to increase skilled employment and engagement in the forest economy.

- As the forestry sector continues to rebound, corresponding Aboriginal business development and employment continue to grow.

Strategy

Increase technology adoption.

Key Actions and Results

Encourage industry to adopt the use of proven, innovative technology to achieve full utilization of the province's forest resources.

- Innovation technologies are being explored by at least two forestry companies to convert mill wood waste into energy using steam-powered turbines.
- The Carrot River saw mill invested heavily in new equipment based on German technology to increase mill production and lumber recovery from logs entering the facility.

Increase knowledge and technology transfer services to forestry stakeholders.

- The ministry continues to work collaboratively with the Ministry of Environment, the forest industry and FPInnovations to investigate new or improved forest products consistent with Saskatchewan's timber supply and market opportunities. This includes utilization of small-diameter timber and the forest biomass and mill wood waste for green energy production and other uses.

Strategy

Attract 10 per cent of national mineral exploration spending.

Key Actions and Results

Maintain fiscal regimes that encourage continued investment in mineral exploration and development within the province.

- Maintained the Saskatchewan Mineral Exploration Tax Credit for Saskatchewan residents.
- Maintained the deductibility of exploration expenditures in the Saskatchewan mineral royalty and taxation system.
    - In a preliminary estimate for 2015, Natural Resources Canada forecasted that Saskatchewan would capture 15.1 per cent of Canadian exploration expenditures.

Work with other ministries to encourage the federal government to increase investment access (uranium) in new international trade agreements.

- The ministry hosted technical delegations from China's Ministry of Lands and Resources interested in potash, and the China National Nuclear Corporation interested in uranium. In December 2015, a subsidiary of China General Nuclear Power Corporation, one of two entities that operate nuclear reactors in China, invested $82 million in Fission Uranium Corporation, which is evaluating a Patterson lake South uranium discovery.

Strategy

Develop geoscience and promote exploration and development opportunities.

Key Actions and Results

Attend national and international mineral forums with Saskatchewan exploration companies to inform potential investors about the extensive mineral investment potential of Saskatchewan (e.g. China Mining, Prospectors and Developers Association of Canada, Mineral Exploration Roundup).

- The ministry attended China Mining, Prospectors and Developers Association of Canada, and the Mineral Exploration Roundup to profile Saskatchewan's mineral potential and investment opportunities.
    - Cigar Lake, the world's second largest uranium mine, began production in 2014. K+S is building the first new potash mine in Saskatchewan in over 40 years.

Incorporate summer field work into ministry databases, and publish in time for the annual geological open house (December), where it will be made available for industry to examine its potential impact on their more detailed exploration plans.

- The ministry undertook a summer 2015 geological field program, which included technical reports and maps that were published. The results were communicated to industry at the annual Geological Open House.

Assist the International Minerals Innovation Institute in its efforts to address skilled labour requirements in mine construction and operating phases to provide companies with a level of certainty that a new mine or expansion is feasible.

- Supported technical training at Northlands College mine school, which is funded by the International Minerals Innovation Institute, by providing access to drill core and rock samples at the La Ronge Precambrian Laboratory.

Support industry-driven research on new feasibility and mine planning techniques.

- Maintained incentives and deductibility for minerals research and development expenditures in the Saskatchewan mineral royalty and taxation system.

Strategy

Increase initial established oil reserves by 2.5 per cent annually.

Key Actions and Results

Increase oil production recovery rates through the further development and application of enhanced oil recovery (EOR) technologies.

- The ministry continues to work closely with the Petroleum Technology Research Centre, Innovation Saskatchewan, industry and others to develop new enhanced oil recovery technologies.

Continue using the Saskatchewan Petroleum Research Incentive and the fiscal provisions for EOR to help industry apply innovative technology to improve recovery and encourage full utilization of oil and gas resources.

- The Saskatchewan Petroleum Research Incentive program has been renewed for another five years. There is $30 million available for the 2015-2020 period to develop new and innovative technology and support EOR pilot projects.

Strategy

Update regulations and supporting processes.

Key Actions and Results

Complete implementation of the PRIME project specific volumetric, infrastructure, valuation and royalty-related information for government and industry partners to better manage royalties, lease administration and well data interfaces.

- In November 2015, PRIME completed its mandate by introducing online self-service, a new way for Saskatchewan's oil and gas industry to complete its business activities and regulatory reporting with the Government of Saskatchewan. Through PRIME, the ministry implemented the final tranche of the Integrated Resource Information System (IRIS), allowing industry to now access their well licences and land tenure online, further improving the overall environment for the oil and gas industry to do business with the province.
- Fully implemented new service desk to provide the oil and gas industry with centralized support for all regulations delivered by the ministry using IRIS.

Implement the one-window application/approval process for oil and gas licensing.

- The ministry implemented a single-window application process as part of IRIS to handle applications requiring approvals from the ministries of Environment and Agriculture. This provides more efficient service to the oil and gas industry and more timely approvals of their application.

Complete and update petroleum and natural gas regulations and their supporting processes to increase industry self-service and government response time capabilities.

- The ministry made changes to existing royalty/tax processes and procedures to provide better service to industry.
- The ministry approved 16 directives to support the launch of the IRIS for licensing oil and gas wells. These directives, which were developed in consultation with industry, provide operators with clarity on regulatory requirements for licensing, operating and decommissioning wells in Saskatchewan.

Introduce an Enhanced Production Audit Program (EPAP)

- Completed industry consultations on the new directive on measurement requirements for oil and gas operations (Directive PNG017) required to support the delivery of EPAP as well as related direction on EPAP declarations (Directive PNG076).
- Carried out development and testing on the EPAP declaration module for delivery using Petrinex.
- Completed industry orientation and training sessions in Calgary and Estevan in advance of the April 1, 2016 launch of the program.

Maintain effectiveness of data collection and billing to ensure timely and optimal collection of resource revenues.

- The Oil and Gas Tenure rental billing moved to post-lease continuance review to reduce reconciliation for both industry and the ministry.
- The ministry developed new processes under PRIME and made changes to the existing royalty/tax processes and procedures to ensure complete integration with the new IRIS systems and provide better service to industry.

Strategy

Encourage a high level of drilling activity.

Key Actions and Results

Continue a progressive and competitive framework for petroleum and natural gas rights management.

- The ministry has presented draft Oil and Gas Tenure Regulations to Cabinet for approval. This will combine four tenure regulations into a single tenure regulation, address shortcomings in current regulations and align with neighbouring jurisdictions where feasible.

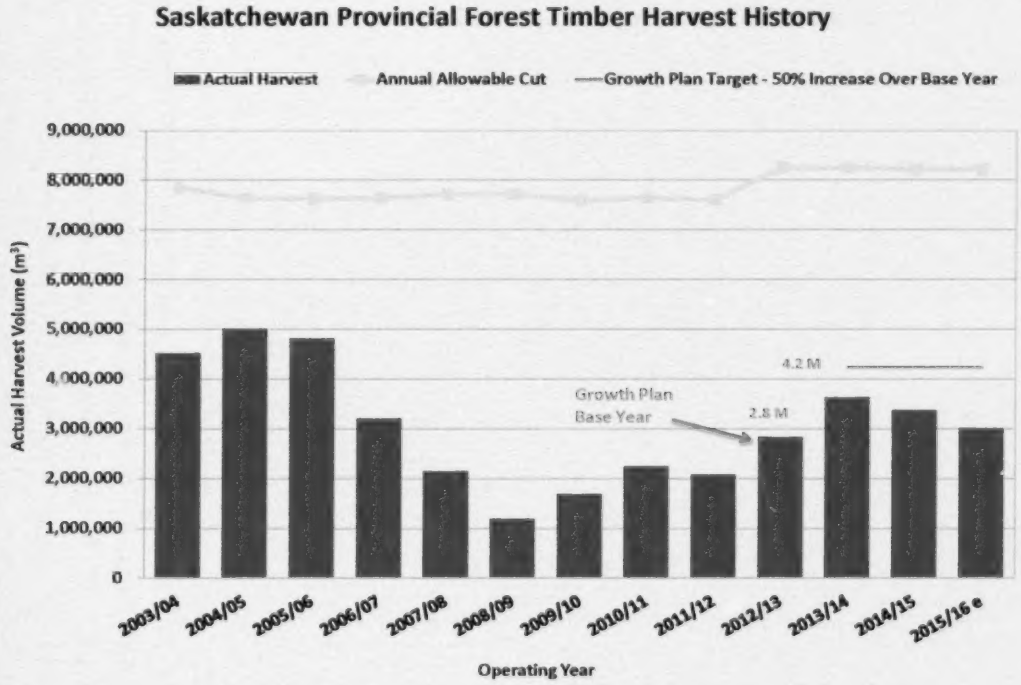
Performance Measures

Value of mineral sales

Increase the value of mineral sales from an estimated $7.1B in 2013 to $8.8B in 2015.

Annual Timber Harvest in Saskatchewan

Increase the annual timber harvest to meet or exceed the Growth Plan's targeted 50 per cent increase (over the 2012-13 base year level of 2.92Mm3) by 2020.



*Does not include AAC or timber harvest from other Crown lands or private lands.

Carrot River saw mill Control Room

Levelling Up: Building a Stronger Economy Through Innovation Investment

When all 10 of Saskatchewan's large forest products facilities are operating, they have the capacity to utilize approximately 80 per cent of the province's Allowable Annual Cut (AAC). In normal market conditions, that generates over $1 billion in forest product sales and directly employs approximately 4,000 people. This is good industry economics.

Pair that with companies that are consistently evaluating production innovation and a government that is committed to a strong and competitive forest industry, and the opportunities for advancement are endless.

In April 2015, Edgewood Forest Products announced a $25 million capital investment at their saw mill in Carrot River, which was completed in January 2016. A new production line has been installed, along with the purchase of a new kiln for drying lumber. The new machinery for the production line was imported from a German-based company called LINCK, the largest saw mill equipment manufacturer in Europe.

The new high-tech equipment will increase the operational capacity from 100 million to 130 million board feet, or about 30 per cent, of lumber per year, and add 50 full-time jobs in the region.

With this upgrade, Edgewood will have some of the lowest log processing costs in the industry. With continual focus on delivered log cost reduction, the Carrot River saw mill is well positioned to be a long-term manufacturer of high-quality lumber in Saskatchewan.

And as an economic generator, the mill reaches a much larger area than Carrot River. Spinoffs extend to Nipawin and Hudson Bay, then on to Manitoba, west to Prince Albert and beyond.

Edgewood is the Saskatchewan subsidiary of C&C Wood Products, a private company based in Quesnel, British Columbia. C&C owns four forest products mills in Canada; one in British Columbia, one in Alberta and two in Saskatchewan. C&C manufactures lumber, plywood, panelling, and wainscoting.

In 2009, Edgewood purchased the saw mill in Carrot River and the plywood mill in Hudson Bay from Weyerhaeuser.

In 2013, Edgewood restarted the saw mill in Carrot River.

In the spring of 2015, Edgewood announced its intention to sell its plywood mill in Hudson Bay.

C&C continues to focus on the future, examining potential uses for the plywood plant, possibly with veneer or a full plywood product.

"Saskatchewan is committed to a strong and competitive forest industry in our province."

- Bill Boyd,
Ministry of the Economy

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Ministry Goal

Ensuring the ongoing competitiveness of Saskatchewan's economy.

Strategy

Maintain a competitive tax and regulatory environment and encourage entrepreneurship to assist in the growing number of Saskatchewan small businesses.

Key Actions and Results

Implement Regulatory Impact Assessment, the Regulatory Cost Model, and the Regulatory Information Database across government.

- The ministry reduced red tape and contributed to a positive Canadian Federation of Independent Business (CFIB) Red Tape Reduction Report Card ranking through the implementation of Regulatory Impact Assessment, the Regulatory Cost Model, and the Regulatory Information Database.
- The Canadian Federation of Independent Business has affirmed its "B" rating of Saskatchewan's regulatory environment, which is among the top rankings in the country. Over 200 staff from government were trained on the revised regulatory impact assessment process, and use of the Regulatory Cost Model and the Regulatory Information Database.
  - There were 97 business-related regulations reviewed, which is on target for reviewing 292 business-related regulations within 10 years. The cost model was used to qualify cost savings of $14.4 million during the year.
  - CFIB Red Tape Reduction Report Card, 2016:

Jurisdiction	2015 Grade	2016 Grade
British Columbia	A	A
Québec	B+	B+
Ontario	B+	B+
Saskatchewan	**B**	**B**
Nova Scotia	D-	C+
Prince Edward Island	D+	C-
New Brunswick	N/A	C-
Yukon	D+	D
Manitoba	D	F
Newfoundland and Labrador	C	N/A
Alberta	D	N/A
Northwest Territories	F	N/A

Support Junior Achievement's Student Venture Program and Rural Expansion Initiative.

- The Junior Achievement Student Ventures Program and the Rural Expansion Initiative provides workshops and programs for students in Entrepreneurship 30, an elective offering in high schools that gives them the tools to start an actual business. Junior Achievement programing reached over 3,300 students – a 23 per cent growth compared to the same reporting period as last year.

Maximize the impact of Aboriginal Business Match and the Northern Opportunities Forum.

- The Aboriginal Business Match increased its business deal efficiency rate in its second year, amassing approximately $30 million in new business in its initial survey.
- Investment readiness pilot projects were launched for four First Nations communities, as well as 13 Métis participants.

Strategy

Maintain annual capital investment intentions in the $16 billion to $20 billion range.

Key Actions and Results

Target global resource industry investors in key markets to attract investment in the sectors of value-added agriculture, oil and gas, mining, manufacturing and forestry by leading/supporting sector development and investment attraction missions and hosting foreign delegate in-house information sessions.

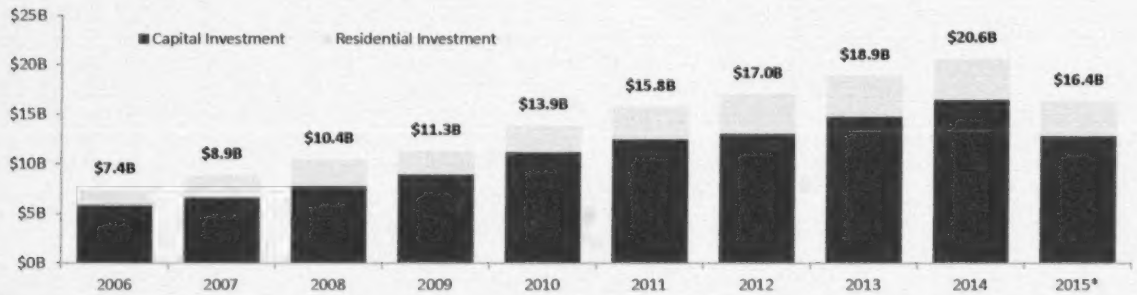
- The ministry participated in the annual China Mining Conference and related events to profile investment opportunities in Saskatchewan's mineral sector. Various technical delegations from China were also hosted.
  - Approximately $270 million in investments has been attracted into Saskatchewan from China in part through the ministry's efforts.
- Outgoing missions to the Netherlands for the Small-Mid Scale LNG (Liquefied Natural Gas) Summit in June and to Houston for the North American Prospect Expo in February provided opportunities for the ministry to present and promote Saskatchewan and its energy sector opportunities to international companies and investors.

Performance Measures

Private Investment in Saskatchewan

Maintain private capital investment in Saskatchewan at $16 billion or greater.

Private Investment in Saskatchewan



* Preliminary

Source: Statistics Canada, CANSIM Table 029-0048 & 026-0013

Note: In 2015, Statistics Canada eliminated residential investment from its calculation of capital investment in order to portray only capital spending of private and public organizations. In order to maintain consistency with established targets and reporting, Ministry of the Economy has combined the residential portion with Statistics Canada's capital investment figures.

Private investment refers to the expenditures on fixed assets intended to produce goods and services in sectors driven by the private industry. Fixed assets include dwellings, structures, machinery and equipment. Capital Investment allows companies to improve their business processes and produce higher-quality goods and services at larger volumes for lower costs. This is an important economic indicator as it showcases businesses optimism/pessimism about the current and expected future state of the economy and a firm's ability to earn a return on the investment that reflects, to a certain degree, the level of satisfaction with the provincial business environment. Statistics Canada revised its methodology for the capital and repair expenditures survey (CAPEX), with new data only dating back to 2006. The largest change is that the residential investment component is excluded in order to focus on capital expenditures made by private and public-sector organizations.

Serafina Energy Ltd.'s steam-assisted gravity drainage (SAGD) processing plant near Vawn

Standing Our Ground: Remaining Competitive Through Efficiency Improvements

It's great to be sitting on a bounty of oil. And Saskatchewan boasts a total oil resource of 56 billion barrels. But how do you capitalize on that energy resource when it's hard to access? And if you can, how do you navigate the economic riptides of the global oil industry to stay afloat?

More than 40 per cent of Saskatchewan's crude oil is classified heavy oil. Highly viscose, with a similar density to water, heavy oil is difficult to extract. But thanks to innovative approaches and new technology, some of the province's (and Canada's) leading energy firms are tapping those previously thought unreachable reserves.

"Rather than finding new oil with old ideas, they're accessing old oil with new ideas," says Ed Dancsok, assistant deputy minister and senior strategic lead for petroleum and natural gas development for the Ministry of the Economy.

Steam assisted gravity drainage (SAGD) is gaining new traction in relatively small-scale operations as an enhanced oil recovery technology for producing heavy crude oil. Current recovery rates under primary production methods are approximately 5 per cent of oil in place; with SAGD projects fully implemented, however, recovery rates are expected to increase to as much as 50 per cent of oil in place.

Among leaders like Serafina Energy and Northern Blizzard, is Husky Energy, a Calgary-based, multinational energy firm with a long history of pushing the frontiers of resource extraction in Saskatchewan.

These partnerships toward innovation have been particularly important as oil prices have fallen from $100-plus US a barrel in 2014 to the $30 to $40 range more recently, says Dancsok.

"Firms like Husky are still investing large amounts of dollars despite the downturn," says the geological engineer. "They might not be drilling as many wells, but they're redeploying investment into projects that improve efficiencies."

Today, the company has vastly improved and built upon its expertise. This has helped dramatically boost heavy oil production. In fact, heavy oil extraction now accounts for about 45 per cent of all oil production in the province, Dancsok says.

And enhanced oil recovery is increasingly crucial.

"In 2011, enhanced oil recovery constituted about 15 per cent of Saskatchewan's heavy oil production, and last year it was up to 30 per cent," Dancsok says. "So you see the trend of where it is going."

Operations such as Husky's small-scale thermal projects will play a key role in future growth. Not only do they lower the operating costs for thermal projects to among the lowest in the industry, but enhanced oil recovery initiatives have a smaller footprint. Both their smaller size and their employment of new technologies such as carbon capture reduce their impact on the environment.

It's a win-win situation in many ways: better for the environment and good for the economy, Dancsok says.

"By finding efficiencies and improving the technology, as we come out the current downturn and start seeing $60 a barrel oil again, these projects will become that much more profitable," he says. "And then the province will really see the benefits of the work being done today."

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Ministry Goal

60,000 more people working in Saskatchewan by 2020.

Strategy

Align skills provision to the needs of the economy.

Key Actions and Results

Work with employers and training providers to develop demand-driven labour market programming.

- The ministry invested $24 million to support a variety of third-party programs and services (i.e. Canada-Saskatchewan Job Grant) to help people to prepare for, obtain and maintain employment. The ministry also participated in workforce sector planning for the health, agriculture and hospitality sectors.

Expand the Canada-Saskatchewan Job Grant (CSJG) to support training for jobs.

- In 2015, there were over 1,200 approved Canada-Saskatchewan Job Grant projects. The ministry invested $4.02 million in grants and an additional investment of $300,000 in wages to support small business.
- The ministry implemented a marketing campaign targeting priority sectors and using company testimonials, which achieved 28,523 visits to the Canada-Saskatchewan Job Grant web page and helped to achieve the $4.0 million target.

Add additional apprenticeship spaces in the province, and seek opportunities to engage more employers in the training of apprentices.

- The ministry added 300 more seats in 2015-16.
  - The ministry has added 900 new training seats through incremental investments in apprenticeship since 2012-13. Budgeted training seats have increased by 84 per cent since 2007-08, bringing total apprenticeship training capacity to 7,000 seats in 2015-16.

Increase skills training funding for Parkland College to support the launch of the new Trades and Technology Centre.

- The ministry dedicated $500,000 for opening the Trades and Technology Centre in Yorkton.

Create pilot projects featuring employer-driven training and workplace supports for aboriginal job seekers.

- The ministry engaged in a project to provide mobile career services to First Nations communities.
- Funding was provided through the CSJG program for construction labourer and equipment operator training with Pinehouse Business North. Funding was also approved to Pasqua First Nation for training to support the development of a business plan and the purchase of a manufacturing business.
- An aboriginal liaison partnership with the Regina and District Chamber of Commerce was established to assist in the recruitment and retention of aboriginal employees through coaching and mentoring of employees and employers.

Strategy

Engage under-represented groups in the Saskatchewan workforce.

Key Actions and Results

Help Saskatchewan youth plan a career in Saskatchewan with continued support for tools and resources on saskcareers.ca.

- The ministry's current partnership to support saskcareers.ca career planning website resulted in:
  - Over 40,000 total users;
  - 20,000 Saskatchewan youth, educators, job seekers, students with user accounts; and,
  - An expanded directory of almost 400 employers.

Work is underway to include a new resumé tool for job seekers, new upgrades to increase accessibility for First Nations and Métis youth, as well as working with industry associations to increase industry support.

Continue working toward elimination of the Adult Basic Education waitlist.

- The ministry added 200 training opportunities for a total of 8,780. As of June 2015, there was no waiting list.

Work with the federal government to launch a renewed Targeted Initiative for Older Workers.

- Three new projects were approved for implementation in 2016-17 with outcomes focused on career decision-making, work/job search and job maintenance:
  - *Older Worker Project*, Regina Work Preparation Centre Inc.;
  - *WorkSHIFT*, Radius Community Centre for Education and Employment Training Centre Inc.; and
  - *Experience Counts*, Saskatchewan Polytechnic, Regina and Prince Albert campuses.

Collaborate with training institutions to assist graduates from under-represented groups in their transition to jobs.

- The ministry participated in the development of a government-wide Disability Strategy. The ministry also initiated planning with a working group of training partners to improve employment outcomes for First Nations and Métis post-secondary graduates.

Increase funding to the Employability Assistance Program for Persons with Disabilities.

- The ministry provided an increase of $200,000 to enhance the employability of persons with disabilities and better meet the priorities identified in the newly developed Saskatchewan Disability Strategy.

Inform the development of Saskatchewan's Disability Strategy and Poverty Reduction Strategy by helping to identify and address obstacles to employment.

- The ministry was involved in the development of government-wide disability and poverty reduction strategies. Both of these reduction strategies were released. The ministry also promoted the Creative Options Regina program to employers (through the CSJG campaign and the Saskatchewanderer), encouraging them to hire people with disabilities.

Launch Outcomes-Based Contract Management with community-based organizations to support the shared commitment to good results for job seekers and employers.

- Outcomes-Based Contract Management (OBCM) creates contracts that identify specific client outcomes to be purchased, and incorporates rating criteria and acceptability standards to ensure quantifiable improvements. It also assists in identifying and mitigating risk for the ministry. These contracts focus on defining outcomes rather than processes, allowing suppliers the flexibility to innovate. The ministry successfully staged the implementation of OBCM with 100 per cent of the existing career and employment service suppliers. Contract management training tools and resources were developed for the ministry's contract managers as well as suppliers. OBCM has been recently recognized as a best practice and innovative approach by other Government of Saskatchewan ministries, as well as other jurisdictions.

Strategy

Attract skilled workers to the province.

Key Actions and Results

Ensure newcomers can fully utilize their skills and work experience.

- The ministry provided funding to the Immigrant Access Fund to provide short-term, low-interest, character-based loans to recent immigrants to pursue assessment, training and/or licensure in their profession.

Work with other provinces and territories on mutual recognition and harmonization activities for apprentices moving to Saskatchewan.

- Apprenticeship Mobility Guidelines were finalized for 10 Red Seal trades, with plans to address additional trades in subsequent years. Progress has been made to harmonize training in 10 Red Seal trades across Canada, with more to follow.

Launch new partnerships to support pathways to foreign credential recognition.

- The ministry signed a new joint agreement with the Saskatchewan College of Respiratory Therapists and the Saskatchewan College of Paramedics for research and development of a policy and procedures framework for the assessment and registration of internationally educated applicants.

Increase permanent immigration to Saskatchewan by raising the Saskatchewan Immigrant Nominee Program (SINP) cap to 5,500 including 775 Express Entry nominations.

- The federal nomination allocation for the SINP was increased to 5,500, including 775 Express Entry nominations.

Raise the profile of Saskatchewan among interprovincial and international job seekers.

- The ministry transitioned the standalone immigration website to Saskatchewan.ca and added Google Translate, so that all content can now be translated on demand.
- As a result of national recruitment advertising, the ministry achieved 155,404 visits to ThinkSask.ca and 14,712 likes for sponsored ads run on Facebook. The ministry reached 246,341 visits to the Saskatchewan sub-channel on Workopolis.ca as a result of targeting in-demand occupations in other provinces, and reached 8,960 new likes on the Saskatchewan Jobs Facebook page.

Collaborate with the federal government to launch a new job matching tool for Canadian and international job seekers.

- The ministry participated in monthly federal/provincial planning meetings to improve alignment of services for employers and job seekers and to strengthen job match capability and sharing of labour market information.

Provide support for legal proceedings under *The Foreign Worker Recruitment and Immigration Services Act*.

- The ministry initiated 199 investigations and completed 123, which helped recoup $50,000 in illegal recruitment fees and unpaid wages for foreign workers.

Assist employers with navigating their options for domestic recruitment and recruitment of temporary and permanent foreign workers.

- The ministry, along with Saskatchewan employers, engaged in five labour recruitment missions to various countries and locations including Mexico (Mexico City), Ireland (Dublin and Cork), Poland (Warsaw), Germany (Hanover) and Calgary.
- There were 35 in-province information sessions held in partnership with various stakeholders including Service Canada; Immigration, Refugees and Citizenship Canada; Labour Market Services; Newcomer Gateways; and post-secondary institutions.

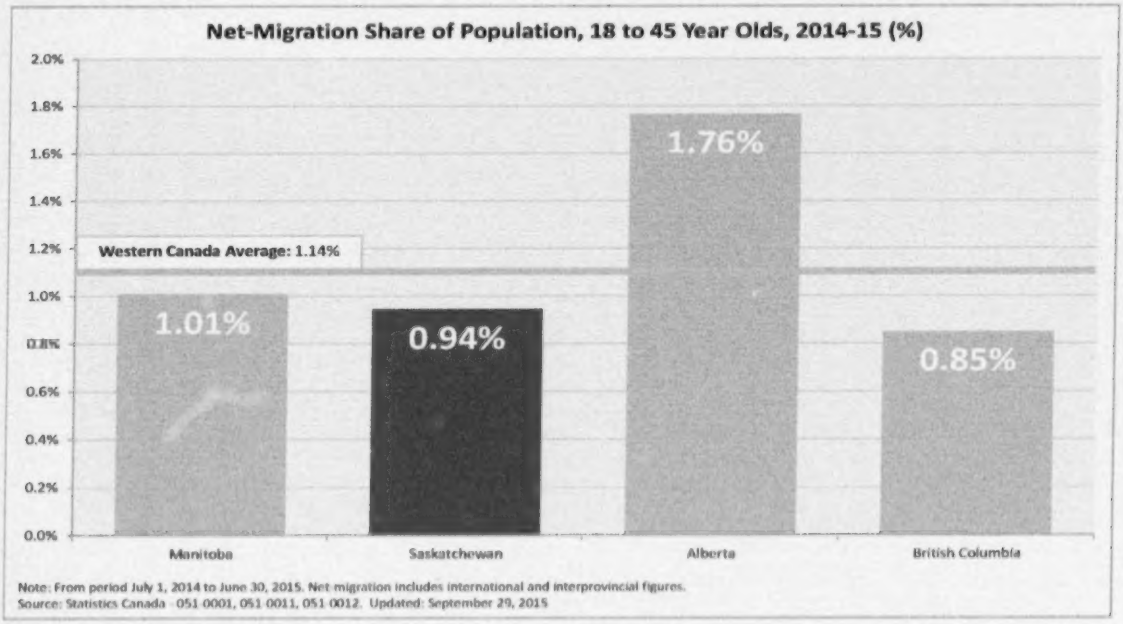
Increase the co-ordination of provincial and federal investments in settlement support services such as language training to better address the needs of Saskatchewan residents.

- The ministry was the lead for the provincial Refugee Settlement Centre, which brought together the appropriate government ministries, including Immigration, Refugees and Citizenship Canada, to work with municipalities, settlement groups and other community-based organizations to co-ordinate the arrival of 1,158 Syrian refugees to the province in 2015-16.

Performance Measures

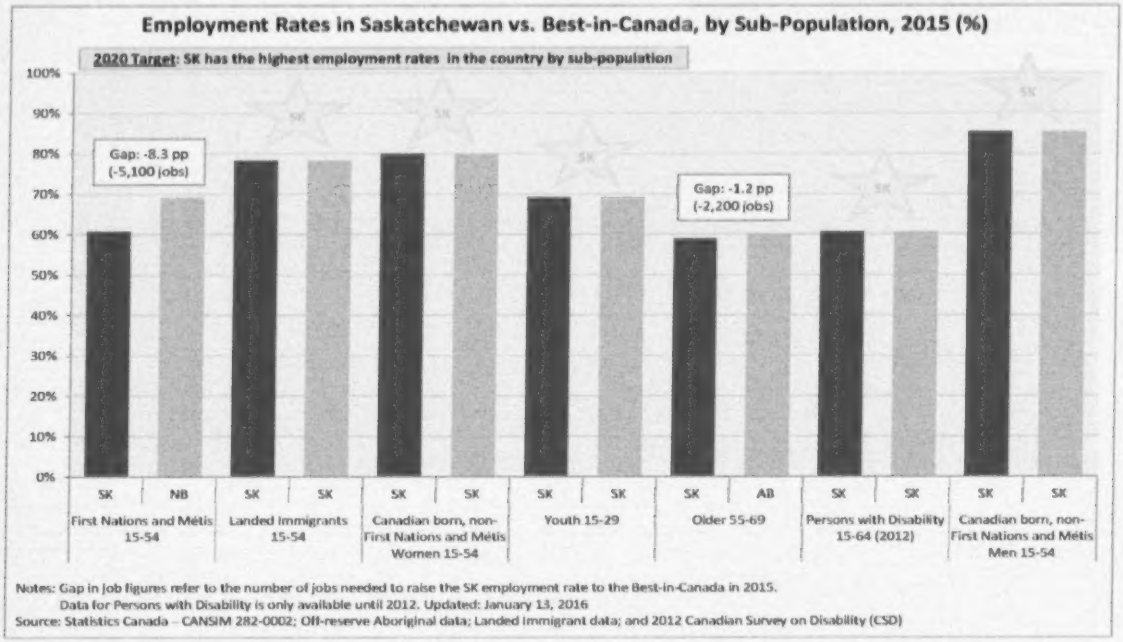
Net-Migration Share of Population

Net-interprovincial migration aligns with the average for the west and net international migration expands to address employer demand.



Employment Rates of Under-Represented Groups

Improve employment rates of First Nations and Métis peoples and other under-represented groups to the best in Canada.



Bringing it Home: Creating Capacity Through Program Improvement

Strong public programs aren't built in a day. They are born and, as they grow, require regular attention and evaluation along with a dedicated desire for refinement. New technology doesn't hurt either.

The Saskatchewan Immigrant Nominee Program (SINP) Entrepreneur Online Application Initiative did just this, examining the application process for immigrant entrepreneurs interested in moving to Saskatchewan to establish and actively operate a business operation.

At issue was a lengthy and inefficient paper-based system that processed program applications on a first-come-first-served basis. Originally, there was no policy or process mechanism in place to filter or rank qualified applicants that met program criteria. This resulted in lengthy processing times for qualified applicants, delays in investment and business establishment, and missed opportunities for both immigrant entrepreneurs and local business owners.

The improvement project ultimately created one of Canada's first Provincial Nominee Program (PNP) business immigration programs to combine an entirely online application process with an Expression of Interest (EOI) model.

Transitioning to an online application system allowed the program to improve transparency during the application process and to reduce costs associated with sending, receiving and storing paper-based application packages and correspondence.

The SINP Entrepreneur EOI application system introduced updated program criteria and an online process that identifies the most qualified applicants based on an objective, points-based ranking system, with a focus on fostering economic growth in key economic sectors identified in the provincial plan for growth. The online EOI and application system improves program efficiency and transparency, decreases application processing times and reduces administrative costs associated with program operation.

This means qualified immigrant entrepreneurs now have a greater chance of being selected, approved and processed more quickly by the SINP Entrepreneur program, speeding up their arrival to Saskatchewan so they can begin to establish their business and create jobs in the province. This is a win for everyone involved, including our community partners.

"Economic Development Regina regards the SINP program as a key part of our overall strategy to attract and support entrepreneurs in Regina and region. The program brings new capital and new companies to Regina, and contributes to the growth of our entrepreneurial culture," says John D. Lee, President & CEO of Economic Development Regina. "Moving forward, we see this program as playing a key role in supporting EDR's and the Ministry of the Economy's prioritized sector growth strategies."

Success of the SINP Entrepreneur EOI application system will be measured by external increases in foreign direct investment in key economic sectors, the facilitation of solutions to issues such as rural economic development and business succession, and the attraction of skilled international entrepreneurs to communities across the province.

See page 19 of this report for more information on how the province is meeting the challenges of growth through training, education and employment attraction.

SINP International Skilled Worker nominee who became self-employed

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Strategy

Support the Government of Saskatchewan's priorities.

Key Actions and Results

Identify key client groups, their expectations and measures to be undertaken to improve service delivery.

- Service standards currently exist for over half of the ministry's programs. Key client groups were identified and service standards have been defined for flagship services like Mineral Administration Registry Saskatchewan (MARS) and IRIS, with plans being made to publish performance results.

Apply lean methodologies to improve service delivery in key programs and continue to build the ministry's culture of continuous improvement.

- Lean methodologies continue to be applied to solve problems and improve service delivery. The ministry undertook 57 new lean initiatives in 2015-16 that resulted in an estimated $19,000 of direct cost savings, as well as cost avoidance of $286,000. Productivity gains through lean initiatives were estimated at nearly three full-time equivalents.

Implement a risk-based internal audit plan.

- A two-year internal audit plan was approved by the ministry's audit committee in August 2015. During the year, audits and reviews were undertaken on the oil and gas levy, treaty land entitlement revenues, and processing of expenditures.

Integrate regulatory review and program review processes within the ministry, align them with ministry strategic priorities and implement approved action plans resulting from the core reviews.

- Seven regulatory modernization efforts were completed and included in the Regulatory Modernization Report for 2015-16. In addition, the ministry conducted reviews of eight regulations prior to their amendment. Six core program reviews were completed, resulting in the ministry exiting two programs that were no longer aligned with strategic priorities. This enabled $579,000 to be reallocated to high-priority programming, as well as savings of $100,000.

Implement strategies focused on safety, organizational culture, training and development, and diversity.

- The ministry published a Workplace Safety & Security Emergency Response Guide for employees and focused on ensuring effective functioning of occupational health and safety committees. Several initiatives aimed at strengthening organizational culture were implemented, including incorporating objectives associated with living the ministry's corporate values. To increase the availability and tracking of learning and development opportunities, the government-wide LEARN software was introduced and implemented in the ministry.

Strategy

Corporate and Financial Responsibility

Key Actions and Results

Reduce the ministry's office footprint by reducing occupied space according to government guidelines.

- The ministry has worked to reduce its footprint density to achieve the Treasury Board directive of 18.6 square metres per Full-Time-Equivalent (FTE) by transferring locations. The completed moves for the Regional Labour Market Services Regina Office, the Lloydminster Regional Office and the La Ronge Regional Office reduced the ministry's footprint by 1,000 square metres.

Appropriately and responsibly manage and report on public funds and safeguard public assets.

- Provincial Audit reported in the Ministry of the Economy Memorandum of Audit Observations for the Year ended March 31, 2015, that "Economy had effective rules and procedures to safeguard public resources." The ministry continues to provide progress updates on questions or concerns that Provincial Audit may provide throughout the year in a timely manner either directly to the Provincial Auditor or through the Public Account process.

2015-16 Financial Overview

Ministry of the Economy
2015-16 Budget vs. Actual Expense Variance Report by Subvote and Subprogram

Summary of Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of the Economy. Variance explanations are provided for individual variances that are greater than $100,000. The ministry had a Full-Time Equivalent (FTE) staff complement of 576.9 FTEs in 2015-16.

	In thousands of dollars				
Subvote/Subprogram	Actual Expenditures 2014-15	Estimate 2015-16	Actual Expenditures 2015-16	Variance Over/(Under) 2015-16	
EC01 Central Management and Services					
Minister's Salary (Statutory)	96	96	96	-	
Executive Management	1,260	1,471	1,124	(347)	1
Central Services	21,882	27,077	23,831	(3,246)	1
Accommodation Services	9,818	9,640	10,533	893	2
Surface Rights Board of Arbitration	143	172	139	(33)	
EC01 Central Management and Services Total	**33,199**	**38,456**	**35,723**	**(2,733)**	
EC06 Minerals, Lands and Resource Policy					
Mineral and Energy Policy	1,754	2,607	1,921	(686)	1
Lands and Mineral Tenure	1,772	1,930	1,446	(484)	1
Saskatchewan Geological Survey	4,250	4,761	4,361	(400)	1
Forestry Development	718	873	552	(321)	1
Remediation of Contaminated Sites	12,300	5,300	2,724	(2,576)	3
EC06 Minerals, Lands and Resource Policy Total	**20,794**	**15,471**	**11,004**	**(4,467)**	
EC05 Petroleum and Natural Gas Total	**13,702**	**14,204**	**12,438**	**(1,766)**	**1**
EC04 Revenue and Corporate Services					
Operational Support	3,978	5,010	4,339	(671)	1
Small Business Loans Association - Concessionary Allowance	236	-	-	-	
Small Business Loans Association - Loan Loss Provision	479	-	(500)	(500)	4
Ethanol Fuel Tax Rebate	8,000	-	-	-	
Renewable Diesel Program	1,662	1,300	2,055	755	5
Northern Development Fund Grant Program	-	-	354	354	6
EC04 Revenue and Corporate Services Total	**14,355**	**6,310**	**6,248**	**(62)**	

Subvote/Subprogram	Actual Expenditures 2014-15	Estimate 2015-16	Actual Expenditures 2015-16	Variance Over/(Under) 2015-16	
	In thousands of dollars				
EC12 Economic Development					
Operational Support	8,721	9,699	7,338	(2,361)	1
Saskatchewan Trade and Export Partnership	3,386	3,386	3,325	(61)	
EC12 Economic Development Total	**12,107**	**13,085**	**10,663**	**(2,422)**	
EC14 Tourism Saskatchewan Total	**16,172**	**14,442**	**14,532**	**90**	
EC13 Labour Market Development					
Operational Support	17,302	17,578	15,329	(2,249)	1
Work Readiness - Youth and Adult Skills Training	19,221	20,186	19,127	(1,059)	7
Work Readiness - Adult Basic Education	24,367	25,621	24,819	(802)	7
Work Readiness - Employment Development	25,375	23,994	21,511	(2,483)	8
Canada-Saskatchewan Job Grant	-	4,000	4,471	471	5
Apprenticeship and Trade Certification Commission	22,226	23,226	23,226	-	
Employability Assistance for People with Disabilities	11,018	10,141	11,187	1,046	5
Provincial Training Allowance (PTA)	29,125	32,017	29,948	(2,069)	9
Skills Training Benefits (STB)	5,159	4,157	6,428	2,271	5
Apprenticeship Training Allowance (ATA)	3,182	3,245	3,276	31	
Immigration	6,898	8,853	6,145	(2,708)	7
EC13 Labour Market Development Total	**163,873**	**173,018**	**165,467**	**(7,551)**	
EC20 Performance and Strategic Initiatives	**1,061**	**1,292**	**991**	**(301)**	**1**
Total Appropriation	**275,263**	**276,278**	**257,066**	**(19,212)**	
Remediation of Contaminated Sites	(5,300)	(5,300)	(2,724)	2,576	3
Capital Asset Acquisition	(8,443)	(2,510)	(3,485)	(975)	10
Capital Asset Amortization	3,145	3,013	5,261	2,248	11
Total Expense	**264,665**	**271,481**	**256,118**	**(15,363)**	

Variance Explanations (Amounts greater than $100 thousand):

1. General operating savings, vacancy management and expenditure restraint measures.
2. Over-expenditure related to the implementation of the Ministry's Accommodation Plan to reduce footprint density and future lease costs.
3. Lower uranium mine clean-up costs for this year.
4. Decrease in estimated loan loss provision.
5. Higher than anticipated program utilization.
6. Increase in estimated loan loss provision.
7. General program underutilization and expenditure restraint measures.
8. Program expenditure restraint measures.
9. Decrease in program utilization.
10. Increased capital costs associated with the Ministry's Accommodation Plan and purchases of operating equipment.
11. Increase primarily attributed to capital projects moving from work in progress to completion.

Summary of Revenues

The Ministry of the Economy collects revenue on behalf of the government from the production and sale of Saskatchewan's energy and mineral resources, the sale of Crown mineral rights, federal-provincial cost-sharing labour market programs, and other associated taxes, services and fees.

All revenue collected is deposited in the General Revenue Fund. A summary of the ministry's 2015-16 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than $3.0 million.

The ministry's actual revenue for 2015-16 was $1.438 billion, a decrease of $705.5 million below the 2015-16 budget estimates.

Summary of Revenues (In Thousands of Dollars) Revenue Category	2015-16 Budget	2015-16 Actual	Variance Over/(Under)	
Non-Renewable Resource Revenue				
Oil	902,700	555,158	(347,542)	1
Crown Land Sales	112,600	44,016	(68,584)	2
Natural Gas	11,300	9,582	(1,718)	
Potash	796,000	556,517	(239,483)	3
Uranium	214,374	152,836	(61,538)	4
Other Minerals	29,526	48,000	18,474	5
Total Non-Renewable Resources	**2,066,500**	**1,366,109**	**(700,391)**	
Transfers From The Federal Government				
Federal-Provincial Cost Sharing Programs	15,785	16,552	767	
Labour Market Development Agreement	37,625	37,625	0	
Other Revenue	6,801	5,982	(819)	
Total Transfers From The Federal Government	**60,211**	**60,159**	**(52)**	
Other Own-Source Revenue				
Mineral Rights Tax	8,500	5,761	(2,739)	
Sales, Services and Service Fees	4,974	1,838	(3,136)	6
Other Miscellaneous Revenue	3,709	4,552	843	
Total Other Own-Source Revenue	**17,183**	**12,151**	**(5,032)**	
Total Revenue Ministry of the Economy	**2,143,894**	**1,438,419**	**(705,475)**	

Explanations of Major Variances:

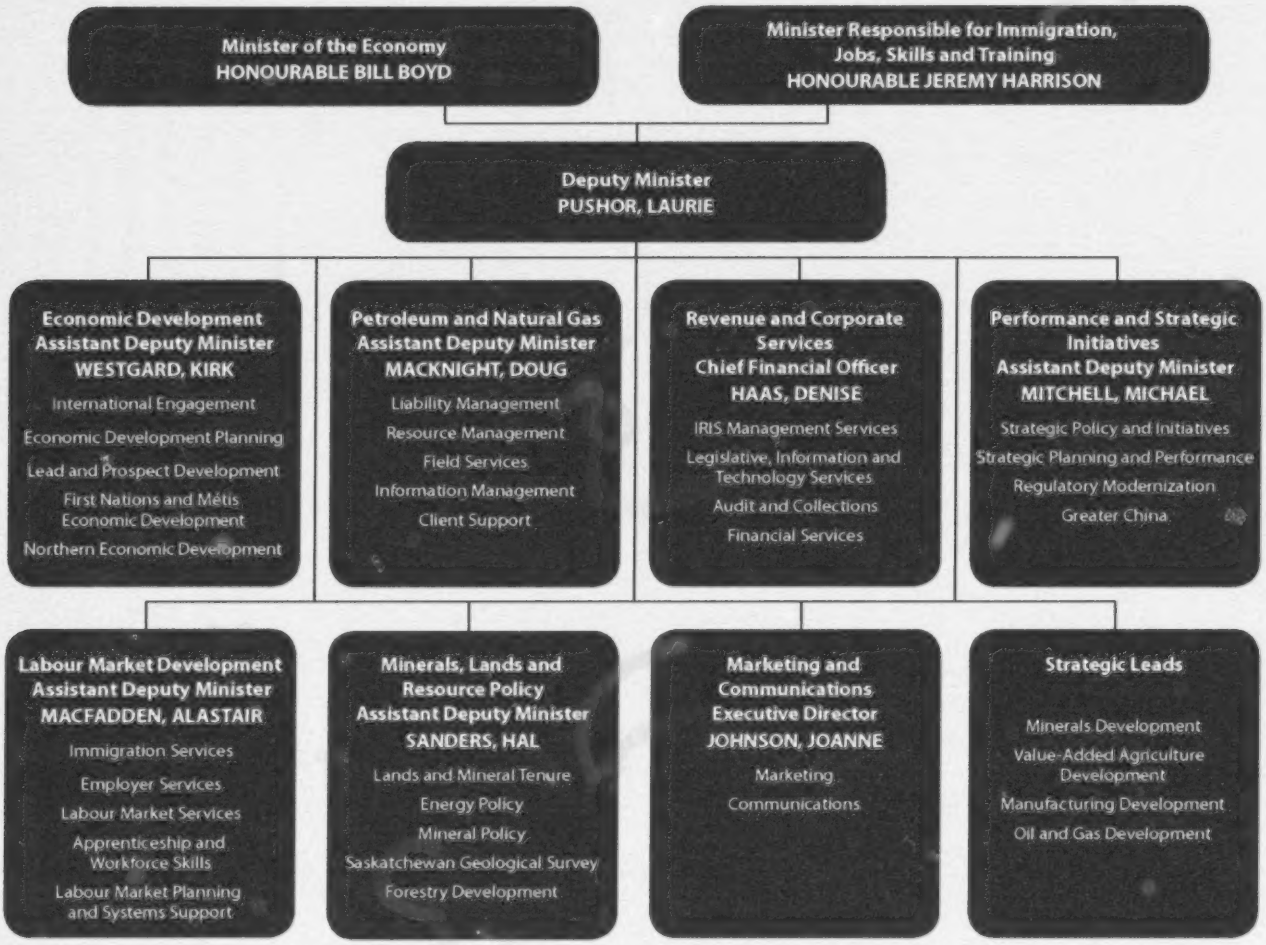
1. Decreased oil revenue of $347.5 million (M) was due to a $12.00 US/bbl decrease in the West Texas Intermediate (WTI) price, a 4.7M bbl decrease in oil production and a decrease of 1.9 per cent in the average royalty/tax rate.
2. Decreased bonus bid revenue of $68.6M was a result of the continued low price for oil and reluctance of industry to increase land inventory that requires development.
3. Decreased potash revenue of $239.5M was due to lower potash list prices and production volumes and increased operating costs; partially offset by decreased capital deductions and increased total royalties.
4. Decreased uranium revenue of $61.5M was caused by lower sales volumes, lower realized sales prices and increased deduction of operating costs.
5. Increased Other Minerals revenue primarily attributed to a $19.7M increase in coal revenue due to audit adjustments, prior year revenue adjustments, and price and volume variances from industry operations.
6. Decreased sales, services and service fees primarily attributed to a $3.7M decrease in Treaty Land Entitlement revenue due to the decrease in the WTI price impacting Federal Treaty Land Entitlement properties.

For More Information

Ministry of the Economy
Marketing and Communications
1000 – 2103 11th Avenue
Regina, SK S4P 3Z8
Tel: (306) 787-4765
Fax: (306) 787-8447

Appendix A

Internal Organization Chart as of March 31, 2016



Appendix B

Legislative Responsibilities (2015-16)

The ministry derives its mandate, responsibilities and authority from a number of Acts and Regulations under those Acts. Acts currently assigned to the Minister of the Economy are:

THE AGRICULTURE ADMINISTRATION ACT
Only with respect to: • Sections 7 and 7.1, which are jointly assigned to the Minister of the Economy and the Minister of Agriculture; and • Section 9.2, which is jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE APPRENTICESHIP AND TRADE CERTIFICATION ACT, 1999
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Apprenticeship and Trade Certification Commission Regulations, 2003
THE CULTURE AND RECREATION ACT, 1993
• Jointly assigned to the Minister of the Economy, the Minister of Parks, Culture and Sport, the Minister Responsible for the Provincial Capital Commission and the Minister Responsible for Tourism Saskatchewan
THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT
• Except clause 8(a), which is jointly assigned to the Minister of the Economy, the Minister of Energy and Resources, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan • Except clause 8(b), which is jointly assigned to the Minister of the Economy, the Minister of Agriculture and the Minister of Parks, Culture and Sport • Except clauses 8(c) and 9(1)(h) and subsection 9(3), which are assigned to the Minister of Central Services • Except clause 9(1)(d), which is jointly assigned to the Minister of the Economy and the Minister of Agriculture except clause 9(1)(e), which is jointly assigned to the Minister of the Economy and the Minister of Parks, Culture and Sport
The Northern Economic Development Regulations
The Small Business Loans Association Program Regulations
THE EDUCATION ACT, 1995
• Only with respect to Subsection 3(1), which is jointly assigned to the Minister of Advanced Education, the Minister of Education, the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE ENTERPRISE SASKATCHEWAN ACT
The Enterprise Saskatchewan Regulations
THE ETHANOL FUEL ACT
The Ethanol Fuel (General) Regulations
THE FOREIGN WORKER RECRUITMENT AND IMMIGRATION SERVICES ACT
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Foreign Worker Recruitment and Immigration Services Regulations
THE GOVERNMENT RELATIONS ADMINISTRATION ACT
• Only with respect to subsection 3(2), which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs • Only with respect to clause3(1)(e), which is jointly assigned to the Minister of the Economy and the Minister of Government Relations

THE GLOBAL TRANSPORTATION HUB AUTHORITY ACT
THE HUMAN RESOURCES, LABOUR AND EMPLOYMENT ACT
• Only with respect to subsection 4(2) and section 4.01, which are jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE INDIAN AND NATIVE AFFAIRS ACT
• Only with respect to Clause 7(b), which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs
THE INNOVATION SASKATCHEWAN ACT
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Innovation
THE LABOUR-SPONSORED VENTURE CAPITAL CORPORATIONS ACT
The Labour-sponsored Venture Capital Corporations Regulations
THE MULTICULTURALISM ACT
• Only with respect to clauses 4(g) and (h), which are jointly assigned to the Minister of the Economy, the Minister Responsible for Immigration, Jobs, Skills and Training, and the Minister of Parks, Culture and Sport
THE NATURAL RESOURCES ACT
Only with respect to:
• The Commercial Fishing Production Incentive Regulations; and
• Clauses 4(1)(g) and 23(b) to (d), as those provisions relate to The Commercial Fishing Production Incentive Regulations
The Commercial Fishing Production Incentive Regulations[1]
THE NORTHERN SASKATCHEWAN ECONOMIC DEVELOPMENT ACT
THE POST-SECONDARY EDUCATION AND SKILLS TRAINING ACT
• Jointly assigned to the Minister of the Economy and the Minister of Advanced Education and the Minister Responsible for Immigration, Jobs, Skills and Training, except section 5, clauses 15(2)(a), (c), (d), (e), (i) and (j) and section 17, which are jointly assigned to the Minister of the Economy, the Minister of Advanced Education, the Minister of Education and the Minister Responsible for Immigration, Jobs, Skills and Training
• Except *The Training Program Regulations*, which are jointly assigned to the Minister of the Economy, the Minister of Education and the Minister Responsible for Immigration, Jobs, Skills and Training, but with respect to the Minister of Education, only as these regulations relate to the literacy programs
The Training Programs Regulations
THE REGULATORY MODERNIZATION AND ACCOUNTABILITY ACT
The Regulatory Modernization and Accountability Regulations
THE RENEWABLE DIESEL ACT
The Renewable Diesel Regulations
THE RESEARCH COUNCIL ACT
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE SASKATCHEWAN HEALTH RESEARCH FOUNDATION ACT
• Only with respect to sections 5, 6, 7 and 20 as they relate to innovation and research, which are jointly assigned to the Minister of the Economy, the Minister Responsible for Innovation and the Minister of Health
THE TOURISM SASKATCHEWAN ACT
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Tourism Saskatchewan
REGULATIONS UNDER THE EXECUTIVE GOVERNMENT ADMINISTRATION ACT *[FORMERLY THE GOVERNMENT ADMINISTRATION ACT]*
The Employment Program Regulations
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training

[1] Repealed on February 25, 2016

The Ethanol Fuel (Grants) Regulations[2]
The Ministry of the Economy Regulations
The Skills Training Benefit Regulations • Jointly assigned to the Minister of Advanced Education, the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Training Allowance Regulations • Jointly assigned to the Minister of Advanced Education, the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Vocational Rehabilitation of Disabled Persons Program Regulations[3] • Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training

Acts currently assigned to the Minister of the Economy are:

THE CROWN MINERALS ACT
The Alkali Mining Regulations
The Battrum EOR Net Royalty Petroleum and Natural Gas Lease Regulations[4]
The Bayhurst Viking Voluntary Gas Unit Regulations
The Coal Disposition Regulations, 1988
The Crown Mineral Royalty Regulations
The Crown Minerals Transfer Regulations, 2005[5]
The Crown Oil and Gas Royalty Regulations, 2012
The Delayed Payment Charge Regulations, 1970
The Helium and Associated Gases Regulations
The Lease of Spaces Regulations
The Mineral Disposition Regulations, 1986
The Mineral Tenure Registry Regulations
The Mineral Trust Revestiture Regulations
The Oil Shale Regulations, 1964
The Petroleum and Natural Gas Regulations, 1969
The Primrose Lake Air Weapons Range Permit Regulations, 1995[6]
The Quarrying Regulations, 1957
Saskatchewan Regulation 270/69 – General Regulations (Tailings Disposal Area)
The Subsurface Mineral Regulations, 1960
The Subsurface Mineral Tenure Regulations
The Totnes Viking Gas Storage Royalty Regulations
The Weyburn Unit CO2 Crown Oil Royalty Regulations

[2] Self-repealed on March 31, 2016
[3] Repealed on February 25, 2016
[4] Repealed on February 25, 2016
[5] Repealed on February 25, 2016
[6] Repealed on February 25, 2016

THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT
• Only with respect to clause 8(a), which is jointly assigned to the Minister of Energy and Resources, the Minister of the Economy, the Minister of Agriculture, the Minister of Parks, Culture and Sport, and the Minister Responsible for Tourism Saskatchewan
THE ENERGY AND MINES ACT
The Mineral Exploration Incentive Regulations
THE FINANCIAL ADMINISTRATION ACT, 1993
Only with respect to: • *The Petroleum Research Incentive Regulations*; and • Section 24, which is jointly assigned to the Minister of Energy and Resources and the Minister of Finance as it relates to *The Petroleum Research Incentive Regulations*
The Petroleum Research Incentive Regulations
THE FOREST RESOURCES MANAGEMENT ACT
• Only with respect to sections 5, 6 and 7, which are jointly assigned to the Minister of Energy and Resources and the Minister of Environment
THE FREEHOLD OIL AND GAS PRODUCTION TAX ACT, 2010
The Freehold Oil and Gas Production Tax Regulations, 2012
The Recovered Crude Oil Tax Regulations, 2012
The Totnes Viking Gas Storage Freehold Production Tax Regulations
The Weyburn Unit CO2 Freehold Oil Production Tax Regulations
THE MINERAL RESOURCES ACT, 1985
The Mineral Exploration Tax Credit Regulations, 2014
The Seismic Exploration Regulations, 1999
The Subsurface Mineral Conservation Regulations
THE MINERAL TAXATION ACT, 1983
The Freehold Coal Production Tax Regulations
The Mineral Rights Tax Regulations, 1998
The Potash Production Tax Regulations
The Sodium Chloride Production Tax Regulations
THE OIL AND GAS CONSERVATION ACT
The Oil and Gas Conservation Regulations, 2012
The Petroleum Registry and Electronic Documents Regulations
THE PIPELINES ACT, 1998
The Pipelines Regulations, 2000
THE RECLAIMED INDUSTRIAL SITES ACT
The Reclaimed Industrial Sites Regulations
THE SURFACE RIGHTS ACQUISITION AND COMPENSATION ACT
The Surface Rights Acquisition and Compensation Regulations

Acts and regulations currently assigned to the Minister Responsible for Immigration, Jobs, Skills and Training are:

THE AGRICULTURE ADMINISTRATION ACT
• Only with respect to section 9.2, which is jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE APPRENTICESHIP AND TRADE CERTIFICATION ACT, 1999
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Apprenticeship and Trade Certification Commission Regulations, 2003
THE EDUCATION ACT, 1995
• Only with respect to Subsection 3(1), which is jointly assigned to the Minister Responsible for Immigration, Jobs, Skills and Training, the Minister of the Economy, the Minister of Advanced Education and the Minister of Education
THE FOREIGN WORKER RECRUITMENT AND IMMIGRATION SERVICES ACT
• Jointly assigned to the Minister Responsible for Immigration, Jobs, Skills and Training and the Minister of the Economy
The Foreign Worker Recruitment and Immigration Services Regulations
THE HUMAN RESOURCES, LABOUR AND EMPLOYMENT ACT
• Only with respect to subsection 4(2) and section 4.01, which are jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
THE MULTICULTURALISM ACT
• Only with respect to clauses 4(g) and (h), which are jointly assigned to the Minister of the Economy, the Minister Responsible for Immigration, Jobs, Skills and Training, and the Minister of Parks, Culture and Sport
THE POST-SECONDARY EDUCATION AND SKILLS TRAINING ACT
• Jointly assigned to the Minister of the Economy and the Minister of Advanced Education and the Minister Responsible for Immigration, Jobs, Skills and Training, except section 5, clauses 15(2)(a), (c), (d), (e), (i) and (j) and section 17, which are jointly assigned to the Minister of the Economy, the Minister of Advanced Education, the Minister of Education and the Minister Responsible for Immigration, Jobs, Skills and Training
• Except *The Training Program Regulations*, which are jointly assigned to the Minister of the Economy, the Minister of Education and the Minister Responsible for Immigration, Jobs, Skills and Training, but with respect to the Minister of Education, only as these regulations relate to the literacy programs
The Training Programs Regulations
THE RESEARCH COUNCIL ACT
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
REGULATIONS UNDER *THE EXECUTIVE GOVERNMENT ADMINISTRATION ACT* *[FORMERLY THE GOVERNMENT ADMINISTRATION ACT]*
The Employment Program Regulations
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Skills Training Benefit Regulations
• Jointly assigned to the Minister of Advanced Education, the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Training Allowance Regulations
• Jointly assigned to the Minister of Advanced Education, the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training
The Vocational Rehabilitation of Disabled Persons Program Regulations[7]
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Immigration, Jobs, Skills and Training

[7] Repealed on February 25, 2016